



AN ACT ELIMINATING THE SOCIAL SECURITY CONTRIBUTION ACCOUNT AND RELATED PROVISIONS FROM STATE LAW; AMENDING SECTIONS 19-1-402, 19-1-503, 19-1-813, AND 19-1-825, MCA; REPEALING SECTIONS 19-1-601, 19-1-602, 19-1-603, 19-1-604, 19-1-701, 19-1-703, 19-1-706, 19-1-801, AND 19-1-814, MCA.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 19-1-402, MCA, is amended to read:

"19-1-402. Contents of federal-state agreement. The agreement authorized by 19-1-401 may contain provisions relating to coverage, benefits, ~~contributions~~, effective date, and modification ~~and termination~~ of the agreement, administration, and other appropriate provisions as the state agency and secretary of health and human services ~~shall agree upon, but, except~~ Except as may be otherwise required or permitted by or under the Social Security Act ~~as to~~ regarding the services to be covered, the agreement must provide ~~in effect~~ that:

(1) benefits will be provided for employees whose services are covered by the agreement ~~(and for their dependents and survivors)~~ on the same basis as though the services constituted employment within the meaning of Title II of the Social Security Act;

~~(2) the state will pay to the secretary of the treasury of the United States, at a time or times as may be prescribed under the Social Security Act, contributions with respect to wages equal to the sum of the taxes that would be imposed by the Federal Insurance Contributions Act if the services covered by the agreement constituted employment within the meaning of that act;~~

~~(3)~~ (2) the agreement must be effective with respect to services in employment covered by the agreement performed after a date specified in the agreement, but may not be effective with respect to services performed prior to the first day of the calendar year in which the agreement is entered into or in which the modification of the agreement making it applicable to services is entered into, except that the effective date may be made retroactive to the extent permitted by section 218(e) of the Social Security Act, ~~(42 U.S.C. 418(e));~~

~~(4)~~ (3) all services that constitute employment and are performed ~~in the employ of the state~~ by employees

of the state must be covered by the agreement; and

~~(5)~~(4) all services that constitute employment, are performed ~~in the employ~~ by employees of a political subdivision of the state, and are covered by a plan that is in conformity with the terms of the agreement and that has been approved by the state agency under Title 19, chapter 1, part 5 must be covered by the agreement."

Section 2. Section 19-1-503, MCA, is amended to read:

"19-1-503. Required provisions of plan. A plan may not be approved unless:

(1) it is in conformity with the requirements of the Social Security Act and with the agreement entered into under 19-1-401 and 19-1-402;

(2) it provides that all services that constitute employment and that are performed ~~in the employ of the political subdivisions~~ by employees of the political subdivisions will be covered by the plan, except that it may exclude services performed by individuals to whom section 218(c)(3)(B) of the Social Security Act, {42 U.S.C. 418(c)(3)(B)}, is applicable;

~~(3) it specifies the sources from which the funds necessary to make the payments required by 19-1-704 and 19-1-706 are expected to be derived and contains reasonable assurance that the sources will be adequate to make the payments;~~

~~———— (4) it provides for methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration of the plan;~~

~~———— (5) it provides that the political subdivision will make reports, in a form and containing information, as the state agency may require and will comply with the provisions that the state agency or the secretary of health and human services finds necessary to ensure the correctness and verification of the reports;~~

~~———— (6) it authorizes the state agency, in its discretion, to terminate the plan in its entirety if it finds that there has been a failure to comply substantially with any provision contained in the plan. The termination is to take effect at the expiration of any notice and on conditions as may be provided by regulations of the state agency and may be consistent with the provisions of the Social Security Act."~~

Section 3. Section 19-1-813, MCA, is amended to read:

"19-1-813. Collection of contributions. The fiscal officer of the school district shall ~~thereafter~~ collect the contributions required under section 218 of the federal Social Security Act, ~~section 218~~ (42 U.S.C. 418), from

the staff and teachers by payroll deduction and from the school district as the employer. ~~The funds collected shall be deposited with the department of administration and held in the contribution account as provided by parts 1 through 7 of this chapter."~~

Section 4. Section 19-1-825, MCA, is amended to read:

"19-1-825. Collection of contributions. ~~(1)~~ The fiscal officer for an institution for whose retirement system an agreement has been made shall collect the contributions required by section 218, ~~as follows of the Social Security Act, 42 U.S.C. 418,:~~

- ~~(a) from the teachers in the retirement system of that institution, by payroll deductions; and~~
- ~~—— (b) from the state, from any appropriations to the institution involved for salaries or other purposes.~~
- ~~—— (2) In the absence of a specific provision in the appropriations for or budget of an institution for such contributions, the board of regents of higher education shall designate the funds from which the required contributions will be made and the budgetary items to which they will be allocated."~~

Section 5. Repealer. Sections 19-1-601, 19-1-602, 19-1-603, 19-1-604, 19-1-701, 19-1-703, 19-1-706, 19-1-801, and 19-1-814, MCA, are repealed.

- END -

I hereby certify that the within bill,
HB 0058, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2009.

President of the Senate

Signed this _____ day
of _____, 2009.

HOUSE BILL NO. 58
INTRODUCED BY P. INGRAHAM
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

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